

The Emerging Consensus: Public Attitudes on America's Ability to Compete in The World

**A Survey Conducted by
Cambridge Reports, Inc.
For Union Carbide Corporation**



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Preface

Over the last decade, the United States has become more dependent on trade with the rest of the world, but less able to compete in it. We now export twice as much of our national output of goods as in 1970 and one in seven American manufacturing jobs depends on exports. But our share of total world exports has fallen sharply since 1970. In terms of dollars and jobs, the United States has lost an estimated \$125 billion and over 2 million jobs to overseas competitors.

The United States international economic lead, so substantial less than a decade ago, has evaporated in a remarkably short span. It appears that the country simply took economic growth for granted, letting the national agenda become crowded with other priorities—with entitlements, with the environment, with safety in the workplace, and with correcting social inequities. The measures to achieve these other objectives were often adopted with little or no concern for their costs to the economy, their effects on American productivity, growth, competitiveness, and employment.

As a nation, we contributed to our declining ability to compete by investing less in new plant and equipment as a percentage of Gross National Product in the 1970's than any other major industrial nation, including Great Britain. And our investment record was made even worse since a significant portion of our investment funds went to meet requirements imposed by federal regulations.

Partly as a result, our productivity growth in manufacturing during the last decade was last among the major industrial nations—averaging only 2.3% per year. By comparison, productivity growth in the same period in Japan and West Germany averaged 5.2%.

West Germany has now displaced the U.S. as the number one exporter of manufactured goods. Japan has become the top exporter of manufactured goods to the important markets of the less developed countries.

Part of our problem is that America's plant and equipment is older than that of West Germany and Japan. The average age of U.S. plant and equipment is 16-17 years compared to 12 years for West Germany and 10 years for Japan.

Today the successes of foreign competitors and the difficulties of American companies are causing serious concern within the United States. The loss of export markets is a growing issue and the impact of foreign-made imports on the American market is a major concern. Foreign firms now have a significant share of the textile, electronics, steel, and automobile markets in the United States causing many in this country to reassess our 35-year commitment to a system of fair and expanding international trade. Calls for import relief have become more insistent.

Since Union Carbide believes that public opinion is a key factor in determining both the direction and the success of public policies, we commissioned a public opinion survey in early 1981 to gauge the public mood about trade and the people's sentiments about trade policy choices.

Union Carbide and its employees, customers, and shareholders have a vital stake in seeing America develop sound and publicly supported trade policies. As a multinational corporation that manufactures, sells and provides services on six continents, and exports its products to over 100 nations, our ability to compete in an increasingly complex and interdependent world depends in large part on how effectively our nation's public policies are working.

Since we believe the results of this latest survey will prove useful to those working to develop more effective public policies, we are sharing it with them and with the general public.

The study found that most Americans in every region and demographic group express a sense of concern over our present trade deficit; they want our government to take the steps needed to close this gap, and they support the adoption of policies to increase American competitiveness and remove existing barriers that block export expansion. This concern over foreign trade reflects in part the realization that our nation's trade problems are concretely linked to the difficult economic problems plaguing our country at home. Because of the growing question of America's ability to compete in the world, more than eight out of ten say that our nation cannot escape making difficult choices in the 1980's.

The majority of Americans say they are aware that our country buys more from other countries than it sells to them. Seventy five percent, when confronted with this fact, think that our present trade imbalance presents a serious problem, and they believe this trade gap arises in turn out of a variety of serious and fundamental causes. Six out of ten believe that foreign governments have adopted policies that make it easier for their industries to export.

A majority believe that, on the average, American products have trouble competing with less expensive or better quality foreign products, and that American companies find labor unions hinder efforts to raise productivity and increase American competitiveness. And a plurality says that foreign companies are managed better than American companies when it comes to being competitive in world markets.

Americans find that fair import competition is useful: a majority think that the consumer sometimes finds better value in less expensive or higher quality foreign products. In fact, Americans are convinced that the U.S. and world economies are now so closely linked that neither can be considered in isolation from the other. Thus more than eight out of ten agree, for example, that if we want to

sell our products abroad, then we have to allow other countries to sell their products in the U.S.

Since Americans agree that there is no simple or single cause of our loss of international competitiveness, they favor a variety of solutions. A broad majority of Americans say they support rules and mechanisms of foreign trade that are fair and strongly enforced, a reduction in oil imports, and government policies that will make American businesses more effective international competitors.

To prevent or remedy unfair trade practices by foreign nations, almost sixty percent of those asked call for stricter enforcement of existing regulations against foreign subsidized and "dumped" products and would also support temporary relief for impacted U.S. industries.

In addition to calling for overall fairness in international trade, the public agrees that more attention should be paid to the specific problem posed by oil imports. By overwhelming majorities, most Americans agree that our nation's reliance on foreign oil supplies presents serious problems. Seven out of ten consider dependency on foreign oil the main cause of our current trade imbalance and agree that reducing oil imports would solve that imbalance. And equally large majorities believe our country is presented with very serious problems because oil imports raise American prices and contribute to inflation, and they further believe that reliance on unstable areas like the Middle East poses a threat to our national security. A significant minority—more than one out of three, and half of those expressing an opinion—said they would go so far as to reduce the demand for imported oil by removing controls on domestic oil (an action taken by President Reagan in January), by taxing imported oil, or by combining both of these means. Equal numbers said they would keep things the way they are or didn't know.

The public strongly supports policies that would achieve a better balance of trade by increasing American exports to other nations. Americans want the government to place a higher priority on export expansion and they want to strengthen government agencies responsible for dealing with trade matters and coordinating them with domestic economic policies. And majorities believe these new policies should create new incentives to stimulate exports and reduce existing laws that place barriers in the way of companies now wishing to export.

Specifically, the American public supports such direct measures as tax incentives; increases in the low interest loans provided to exporting companies through the Export-Import Bank; reform of the laws that restrain corporations from cooperating in foreign oriented business ventures; creation of trading companies that would act as the foreign sales agents for groups of smaller companies; and tax credits for the taxes paid to foreign governments by American firms.

Americans believe the government should reform present laws and regulations so that they no longer hold back exports by raising the price or reducing the competitiveness of American products. More than two out of three would favor governmental incentives to stimulate increased business investment in scientific and technological research and development, and a majority would also endorse modifying present environmental and safety regulations provided they still protected the public. But only a minority would oppose government restraints on the sale of technology because of human rights or political differences.

The public believes that the United States should pay more attention to the economic problems of the less industrialized countries from which we import vital materials or to which we export American goods. More than seven out of ten believe that American aid to these poorer nations should take the form of American products rather than money loans, thus helping to increase the market for American exports.

The public's concern about and willingness to take the steps needed to increase American international competitiveness is consistent with the findings of two earlier surveys of public attitudes on economic issues sponsored by Union Carbide Corporation. As the *Vital Consensus* (published in April, 1980) found, most Americans believe economic growth helps them personally and benefits the entire nation as well; they find growth highly desirable, but they also are pessimistic about the likelihood of economic growth in coming years. In order to counter this perceived slowdown in economic growth, most strongly support such governmental policies as tax cuts to encourage capital investment and restraints on governmental regulations not actually needed to protect public health and safety. *Adversaries and Allies* (published in Nov. 1980) again found almost universal agreement that our difficult economic problems—such as a high rate of inflation, rising energy costs, and inefficient governmental regulations—are exacerbated by needless conflicts among the various sectors of our society. And the public said they want all of our institutions—including government and business—to work together more closely to solve these problems.

In this survey, the public continues to express a high degree of concern over the present state of the economy. There is an emerging consensus that our economic problems are both a cause and a consequence of our present trade difficulties. And there is also a consensus that government and business must work together more closely if American industry is to become more competitive within a structure of international trade that is fair to all nations.

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MONITION

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Introduction

This is an analysis of a survey of public attitudes toward the balance of trade problem facing the United States and toward a number of possible policy options for remedying the problem. The survey was conducted using a sample of 1,200 adult Americans scientifically selected to reflect the attitudes of the entire over-18, non-institutionalized population of the United States. All interviews were conducted by telephone on a confidential basis by trained, professional interviewers under the supervision of Cambridge Reports, Inc. field staff, between January 7 and 19, 1981.

Objectives

- * To assess overall awareness of and concern about the balance of trade problem;
- * To look at attitudes about the relative standing of U.S. industry in the world today;
- * To gauge the impact of foreign oil dependency on trade and inflation;
- * To analyze levels of support for various public policy options available for remedying the balance of trade problem.

Methodology

The methods used in this survey were the same professional ones used in all Cambridge Reports, Inc. surveys. All interviews were conducted by trained, professional interviewers under the supervision of the Cambridge Reports, Inc. field staff and were returned to Cambridge for coding and data processing using modern computer methods.

Notes on Analysis

In reading through the report, please keep in mind the following points:

- * The marginals on demographic charts (the number to the left of each demographic designation) show the percentage that the group represents of the overall base population; when the marginal is 4% or less on charts where the base population is approximately 1,200, conclusions based on these responses should be made with caution, as the numbers are based on a sample size too small to be entirely reliable.
- * A copy of the questionnaire appears in Appendix A for quick referral purposes.
- * Demographic charts discussed, but not included, in the text are available upon request from the Union Carbide Corporate Communications Department.
- * In some cases, tables and charts may not equal 100% due to rounding error.
- * The geographical areas referred to in this report are shown on the map that follows.



Executive Summary

Americans are aware of the balance of trade problem facing the nation and correctly perceive it to be a net outflow of trade money from the United States. Awareness is higher among men, younger people, more affluent Americans, and those with higher levels of education.

Moreover, when people are made more fully aware of the specifics of the trade problem--namely, the \$20-30 billion 1980 trade deficit--three out of four say they consider the situation serious. Interestingly, most Americans also feel reciprocity is a key to solving the U.S. trade imbalance--that is, if we want to sell our products overseas we must allow other countries to sell their products here.

Americans see the lack of U.S. competitiveness as a key factor in the balance of trade problem. A slim plurality think foreign firms are better managed than American firms and a majority believe labor unions tend to undermine the competitiveness of U.S. companies and products.

Overwhelming majorities of Americans also view U.S. dependency on imported oil as a critical element in the country's trade dilemma. Both the location of our oil sources in the politically unstable Middle East and the impact of oil prices on inflation are recognized as serious drags on the nation's ability to be competitive in export markets.

Although there is some disagreement about the extent of our dependency on oil imports, fully seven out of ten Americans agree that reducing our oil purchases from overseas would help solve the balance of trade problem. But a plurality of Americans prefer that the government take no action at all rather than decontrolling oil prices or imposing tax levies on foreign oil.

Turning to the public's attitudes toward trade policies, we find that Americans are nearly unanimous in supporting government programs that would encourage American businesses to export more goods. To be more precise, majorities come out in favor of:

- * the setting up of trading companies to act as agents for thousands of smaller companies;
- * tax incentives for U.S. manufacturers and service companies to encourage exports;
- * the strengthening of government agencies that develop long-term foreign trade policies;
- * stricter enforcement of U.S. laws against "dumped" and subsidized imports.

In addition, most Americans support the idea of allowing U.S. companies to produce products for export that do not necessarily meet U.S. standards but do meet the standards of the importing country. Anti-trust regulations that prevent U.S. companies from cooperating on foreign sales have also

been blamed by some observers as an export disincentive--again, majorities of our sample support changes in those regulations. It should be noted that many of the trade policy questions posed to respondents did not include counterarguments that might have softened support for some of them.

We also tested support for some trade policies in a format that presented additional favorable information. When told, for example, that tax credits to U.S. businesses in compensation for foreign tax payments would create more domestic jobs, fully two-thirds of Americans support such a policy. When told that government incentives for additional research and development would in fact enhance our trade position in the world, the same high percentage support such actions. Finally, about six out of ten Americans support a renegotiating of international trade rules when told that many foreign companies receive government aid.

Our survey also indicates that substantial majorities of Americans recognize the interdependency of the world economy as well as the need for the U.S. government to pay greater attention to the developing nations of the world for both strategic and economic reasons. Moreover, most respondents favor aid to less industrialized nations in the form of real goods instead of dollars.

All in all, our survey shows that Americans are aware of the balance of trade problem, see it as tied to some factors beyond the control of the American government, and see it as soluble in part by aggressive United States government action to encourage American firms to export competitively in the world market. The public also recognizes that much of the problem is due to overdependence on imported oil and the interdependent nature of the world economy.

Overall Awareness of the Balance of Trade Problem

To begin our survey, we tested people's overall awareness of the current U.S. balance of trade issue. After defining the basic terms involved, we asked survey participants if they have heard of the balance of trade "controversy" and, if so, whether they think more trade money is flowing into the country or going out. As the first table shows, awareness of the trade controversy is high, with only about three in ten people claiming total ignorance of the problem. Almost no one misperceives the problem as a balance of trade surplus.

Recently, there has been a lot of controversy over the issue of the U.S. balance of trade—the balance between the money we send out of the country to buy goods such as oil and other foreign products—and the amount of money coming into the country because of things we sell to foreign countries such as wheat and manufactured goods. Have you heard about the controversy? [IF YES] Do you know whether more money is going out or coming in?

Yes, more going out	56%
Yes, more coming in	4
Yes, (not sure)	10
(Have not heard about controversy/don't know)	29

Demographically, awareness of the balance of trade deficit is most prevalent among higher-income and better-educated people, people aged 36 to 55, and residents of the South. A complete demographic breakdown follows.

Recently, there has been a lot of controversy over the issue of the U.S. balance of trade--the balance between the money we send out of the country to buy goods such as oil and other foreign products and the amount of money coming into the country because of things we sell to foreign countries such as wheat and manufactured goods. Have you heard about the controversy? [IF YES] Do you know whether more money is going out or coming in?

1. YES-GOING OUT	2. YES-COMING IN				
3. YES-NOT SURE	4. HAVENT HEARD				
5. DK					
RESPONSES = 1206	1. 2. 3. 4. 5.				
MARGINALS	56 4 10 24 5				
<u>1. HEARD OF BALANCE-OF-TRADE-WHICH WAY</u>					
56 YES-GOING OUT	100	0	0	0	0
4 YES-COMING IN	0	100	0	0	0
10 YES-NOT SURE	0	0	100	0	0
24 HAVENT HEARD	0	0	0	100	0
5 DK	0	0	0	0	100
<u>2. PROBLEM OF BALANCE-OF-TRADE</u>					
75 SERIOUS PROBLEM	60	4	9	22	5
16 SOMETHING OF PROBLEM	48	6	17	25	3
4 NOT A PROBLEM	42	16	11	24	7
5 DK	29	0	8	46	16
<u>3. WHICH COMPANIES MANAGED BETTER</u>					
38 AMERICAN	50	5	10	27	7
41 FOREIGN	61	5	10	20	4
7 MANAGED THE SAME	66	3	10	20	1
14 DK	50	2	11	30	6
<u>23. US OIL NEEDS</u>					
49 ENOUGH OIL	55	4	11	26	5
13 DK	46	3	15	27	9
37 IMPORT OIL	61	5	8	20	5
<u>24. REDUCE OIL PURCHASES SOLVE TRADE PROB</u>					
38 STRONGLY AGREE	53	4	10	19	4
32 AGREE	53	6	10	26	5
14 DISAGREE	58	4	10	23	5
4 STRONGLY DISAGREE	59	6	10	25	0
11 DK	36	3	14	35	12
<u>25. OIL MONEY RAISES ALL PRICES</u>					
80 VERY SERIOUS	58	4	10	23	5
15 SOMEWHAT SERIOUS	54	5	9	26	6
2 NOT VERY SERIOUS	47	8	15	25	4
2 NOT SERIOUS AT ALL	39	19	10	31	0
2 DK	29	4	19	35	13

Heard of balance of trade—which way (continued)

1. YES-GOING OUT		2. YES-COMING IN				
3. YES-NOT SURE		4. HAVENT HEARD				
5. DK						
RESPONSES = 1206		1.	2.	3.	4.	5.
MARGINALS		56	4	10	24	5
<u>30. SEX</u>						
50	FEMALE	49	4	11	28	8
50	MALE	63	5	9	20	3
<u>31. EDUCATION</u>						
9	SOME GRADE	31	1	17	40	11
12	SOME HIGH	54	2	7	30	7
35	HIGH GRAD	51	5	12	27	5
2	TECH-VOC	48	13	18	12	9
21	SOME COLLEGE	59	5	8	23	5
13	COLLEGE GRAD	73	4	9	12	2
8	GRAD SCHOOL	70	5	11	10	5
1	DK	41	15	0	29	16
<u>32. INCOME</u>						
4	0-3999	34	2	17	39	8
5	4-5999	41	2	17	30	12
6	7-9999	44	7	12	28	9
8	10-12999	46	4	14	31	5
7	13-14999	54	5	16	23	2
12	15-19999	51	3	13	27	6
12	20-24999	67	9	3	16	5
24	25K AND OVER	58	5	8	18	2
15	REFUSED	60	3	10	20	7
6	DK	41	1	11	39	7
<u>33. AGE</u>						
18	18-25	50	3	9	34	5
25	26-35	58	6	10	22	5
16	36-45	62	5	8	20	5
13	46-55	61	4	10	21	4
14	56-65	54	3	15	23	5
13	OVER 65	52	5	11	23	10
1	REFUSED	50	6	11	33	0

Heard of balance of trade--which way (continued)

1. YES-GOING OUT
3. YES-NOT SURE
5. DK

2. YES-COMING IN
4. HAVENT HEARD

RESPONSES = 1206

1. 2. 3. 4. 5.

MARGINALS

56 4 10 24 5

AREA
14 NORTHEAST
24 INDUSTRIAL
13 MIDLANDS
22 SOUTH
14 CENTRAL
13 PACIFIC

52	4	13	27	4
54	6	11	24	6
55	4	11	23	6
60	4	9	24	3
56	4	9	25	5
59	3	9	20	10

Our next question focused on public concern about the very real balance of trade deficit for 1980, which will likely approach \$30 billion. We informed the survey participants of this fact, and also explained the 8-year duration of the deficit cycle. As the table shows, fully three out of four Americans feel this represents a serious problem for the country, and another one in seven say it is at least "something of a problem." A scant 4% of the population view the trade deficit situation as "not really a problem at all."

Actually, it now seems that about \$20-30 billion more went out of the U.S. in 1980 to pay for our imports than will come in as payment for our exports. This will be the eighth year in a row that we have spent more in other countries than other countries have spent in the U.S. Do you think that represents a serious problem for the country, only something of a problem, or isn't it really a problem at all?

Serious problem	75%
Only something of a problem	16
Not really a problem at all	4
(Don't know)	6

Demographic analysis shows that concern about the balance of trade problem runs consistently high throughout most population groups. A complete demographic breakdown follows.

1. SERIOUS PROBLEM
2. SOMETHING OF PROBLEM
3. NOT A PROBLEM
4. DK

1. 2. 3. 4.

75 16 4 6

	YES-GOING OUT	YES-COMING IN	YES-NOT SURE	HAVENT HEARD	DK
56	81	13	3	3	
4	63	22	15	0	
10	65	26	4	5	
24	69	16	4	11	
5	67	10	5	18	

75	SERIOUS PROBLEM	100	0	0	0
16	SOMETHING OF PROBLEM	0	100	0	0
4	NOT A PROBLEM	0	0	100	0
5	DK	0	0	0	100

38	AMERICAN	74	16	3	7
41	FOREIGN	78	15	4	3
7	MANAGED THE SAME	60	23	11	6
14	OK	75	12	2	11

49	ENOUGH OIL	78	14	3	5
13	OK	69	14	3	14
37	IMPORT OIL	73	18	3	4

38	STRONGLY AGREE	79	14	3	4
32	AGREE	72	18	4	6
14	DISAGREE	74	17	7	2
4	STRONGLY DISAGREE	84	8	9	0
11	DK	64	14	2	20

80	VERY SERIOUS	79	13	3	5
15	SOMEWHAT SERIOUS	58	29	5	7
2	NOT VERY SERIOUS	61	22	8	10
2	NOT SERIOUS AT ALL	55	19	20	6
2	OK	55	8	6	31

Problem of balance of trade (continued)

1. SERIOUS PROBLEM
3. NOT A PROBLEM

2. SOMETHING OF PROBLEM
4. OK

RESPONSES = 1206

1. 2. 3. 4.

MARGINALS

75 16 4 6

30. SEX
50 FEMALE
50 MALE

73 16 3 8
76 15 5 4

31. EDUCATION
8 SOME GRADE
12 SOME HIGH
35 HIGH GRAD
2 TECH-VOC
21 SOME COLLEGE
13 COLLEGE GRAD
8 GRAD SCHOOL
1 OK

68 10 2 21
81 10 2 7
74 15 3 6
75 12 9 5
76 18 4 2
75 15 7 3
67 24 7 3
87 0 13 0

32. INCOME
4 0-3999
5 4-6999
6 7-9999
3 10-12999
7 13-14999
12 15-19999
12 20-24999
24 25K AND OVER
16 REFUSED
6 OK

78 8 3 12
64 15 9 11
73 15 4 8
75 19 0 6
77 16 2 5
75 17 5 3
73 18 5 4
74 19 4 3
79 12 4 5
70 7 6 17

33. AGE
18 18-25
25 26-35
16 36-45
13 46-55
14 56-65
13 OVER 65
1 REFUSED

71 18 5 6
75 18 4 3
75 16 3 6
81 13 2 4
77 13 5 6
72 14 3 11
62 6 17 16

Problem of balance of trade (continued)

1. SERIOUS PROBLEM
3. NOT A PROBLEM

2. SOMETHING OF PROBLEM
4. OK

RESPONSES = 1206

1. 2. 3. 4.

MARGINALS

75 16 4 6

AREA
14 NORTHEAST
24 INDUSTRIAL
13 MIDLANDS
22 SOUTH
14 CENTRAL
13 PACIFIC

67 20 3 10
70 17 6 6
76 21 1 1
76 15 3 6
93 7 4 6
78 12 5 5

Despite the high level of public awareness and concern about the U.S. trade deficit, the responses to our next general trade question show that Americans do not view the problem as unilateral in nature. Indeed, the public is nearly unanimous in agreeing that world trade is a "two-way" street; that is, if we want to sell American products abroad, we have to allow foreign nations to sell their products here.

Do you agree or disagree: Trade is a two-way street. If we want to sell our products abroad, then we have to allow other countries to sell their products here in the United States.

Agree	85%
(Don't know)	5
Disagree	10

Trade Competitiveness

Clearly, one of the key issues surrounding the whole balance of trade problem is that of U.S. competitiveness in world markets. Is the United States providing enough export incentives so that its corporations can compete effectively abroad? Do American products measure up to their foreign counterparts in terms of quality and price? Are American corporate managers as efficient as those overseas? We examine public attitudes toward these and other dimensions of the competitiveness issue in the series of questions that follow.

Our first question asked people whether they think foreign governments make it easier for their industries to sell products abroad through economic policies that encourage exports. As the table shows, nearly three out of five Americans think this is the case, while fewer than one-fourth that number take the opposite position. Nearly three out of ten people are unsure, however.

Some people say that the governments in other countries make it easier for their industries to sell products abroad by having coordinated economic policies that support and encourage exports. Do you think this is true, or not?

Yes	59%
(Not sure)	29
No	13

Demographically, upper-income and better-educated people are more likely than their counterparts to find truth in the statement, while uncertainty is most prevalent among lesser-educated and lower-income groups.

Our next question dealt with the issue of whether or not American companies are less efficiently managed than foreign companies. As the table shows, Americans are almost evenly split on this issue, with a very slim plurality saying that foreign companies are run better. Another one in six people feel that foreign and American companies are managed equally well.

Do you think that American companies on the average are managed better than foreign companies when it comes to being competitive in world markets, or do you think that foreign companies are managed better than American companies?

American companies managed better	38%
Foreign companies managed better	41
(Both managed the same)	17
(Don't know)	14

A review of the demographics shows that the tendency to feel that foreign companies enjoy superior management is strongest among higher-income and better-educated people. In terms of age, the oldest and youngest members of our sample are the most likely to say U.S. companies have better management. Regionally,

residents of the Central and Midlands states are the groups most likely to feel the same way; residents of the Midlands are the most likely to say foreign companies are managed better.

Do you think that American companies on the average are managed better than foreign companies when it comes to being competitive in world markets, or do you think that foreign companies are managed better than American companies?

1. AMERICAN
3. MANAGED THE SAME

2. FOREIGN
4. DK

RESPONSES = 1204

1. 2. 3. 4.

MARGINALS

38 41 7 14

	1. HEARD OF BALANCE-OF-TRADE-WHICH WAY	2.	3.	4.
56 YES-GOING OUT	34	45	8	13
4 YES-COMING IN	46	44	4	6
10 YES-NOT SURE	39	39	6	16
24 HAVENT HEARD	43	33	6	18
5 DK	48	34	2	17

	2. PROBLEM OF BALANCE-OF-TRADE	3.	4.
75 SERIOUS PROBLEM	38	43	5
15 SOMETHING OF PROBLEM	39	40	10
4 NOT A PROBLEM	33	41	18
6 DK	47	20	7

	4. WHICH COMPANIES MANAGED BETTER	3.	4.
38 AMERICAN	100	0	0
41 FOREIGN	0	100	0
7 MANAGED THE SAME	0	0	100
14 DK	0	0	0

	23. US OIL NEEDS	3.	4.
49 ENOUGH OIL	39	42	6
13 DK	37	31	8
37 IMPORT OIL	38	43	7

	24. REDUCE OIL PURCHASES SOLVE TRADE PROB	3.	4.
38 STRONGLY AGREE	38	41	6
32 AGREE	36	44	7
14 DISAGREE	40	45	8
4 STRONGLY DISAGREE	48	28	10
11 DK	38	32	6

	25. OIL MONEY RAISES ALL PRICES	3.	4.
80 VERY SERIOUS	39	40	6
15 SOMEWHAT SERIOUS	33	46	8
2 NOT VERY SERIOUS	34	51	7
2 NOT SERIOUS AT ALL	40	40	21
2 DK	56	13	9

Which companies are managed better (continued)

1. AMERICAN	2. FOREIGN
3. MANAGED THE SAME	4. DK
RESPONSES = 1204	1. 2. 3. 4.
MARGINALS	38 41 7 14
<u>30. SEX</u>	
50 FEMALE	40 37 5 18
50 MALE	36 45 8 11
<u>31. EDUCATION</u>	
8 SOME GRADE	51 31 5 13
12 SOME HIGH	42 41 4 14
35 HIGH GRAD	40 40 6 14
2 TECH-VOC	37 35 17 10
21 SOME COLLEGE	36 43 9 13
13 COLLEGE GRAD	30 45 9 16
8 GRAD SCHOOL	34 45 6 15
1 DK	57 27 0 16
<u>32. INCOME</u>	
4 0-3999	52 15 9 14
6 4-6999	43 34 10 13
5 7-9999	49 36 3 12
8 10-12999	33 48 6 13
7 13-14999	36 44 7 13
12 15-19999	29 42 4 15
12 20-24999	33 41 10 17
24 25K AND OVER	32 48 7 13
16 REFUSED	41 37 6 16
5 DK	39 38 6 17
<u>33. AGE</u>	
19 18-25	42 43 5 9
25 26-35	36 42 8 14
16 36-45	40 40 4 16
13 46-55	34 43 8 15
14 56-65	37 46 4 13
13 OVER 65	43 30 8 19
1 REFUSED	28 33 17 22

Which companies are managed better (continued)

1. AMERICAN
3. MANAGED THE SAME

2. FOREIGN
4. DK

RESPONSES = 1204

1. 2. 3. 4.

MARGINALS

38 41 7 14

AREA
14 NORTHEAST
24 INDUSTRIAL
13 MIDLANDS
22 SOUTH
14 CENTRAL
13 PACIFIC

31 44 8 17
36 41 7 16
42 49 1 8
40 38 9 13
43 36 7 14
39 39 5 17

People are more decisive when asked to compare foreign and American products in terms of value received. As the next table shows, only slightly more than a third of the population feel American companies "make good quality, competitively priced products," while a majority say American products have trouble competing with foreign-made products because of shortcomings in quality and price.

Compared to foreign manufacturers, do you think that American companies on the average make good quality, competitively priced products, or do you think that American products have trouble competing with foreign-made products because of price and quality?

Make good quality, competitively priced products	36%
Have trouble competing	51
(Both the same)	7
(Don't know)	6

Demographic breakdowns again show that upper-income, better-educated people are the groups most likely to downgrade American companies in comparison with foreign companies. People under age 35 are more likely than older people to say American-made products are inferior to foreign-made products in terms of both price and quality. People living in the Industrial states are the regional group most likely to feel the same way.

Compared to foreign manufacturers, do you think that American companies on the average make good quality, competitively priced products, or do you think that American products have trouble competing with foreign-made products because of price and quality?

1. GOOD QUALITY
3. BOTH THE SAME

2. TROUBLE COMPETING
4. DK

RESPONSES = 1206

1. 2. 3. 4.

MARGINALS

36 51 7 6

	1.	2.	3.	4.
<u>1. HEARD OF BALANCE-OF-TRADE-WHICH WAY</u>				
56 YES-GOING OUT	34	56	6	4
4 YES-COMING IN	34	44	13	9
10 YES-NOT SURE	39	47	6	8
24 HAVENT HEARD	38	44	8	11
5 DK	37	47	9	7

	1.	2.	3.	4.
<u>2. PROBLEM OF BALANCE-OF-TRADE</u>				
75 SERIOUS PROBLEM	36	52	6	5
16 SOMETHING OF PROBLEM	33	52	7	8
4 NOT A PROBLEM	30	53	8	9
6 DK	43	34	9	14

	1.	2.	3.	4.
<u>4. WHICH COMPANIES MANAGED BETTER</u>				
38 AMERICAN	48	40	6	7
41 FOREIGN	22	66	7	5
7 MANAGED THE SAME	32	47	17	4
14 DK	41	42	6	11

	1.	2.	3.	4.
<u>23. US OIL NEEDS</u>				
49 ENOUGH OIL	37	52	6	6
13 DK	37	41	12	11
37 IMPORT OIL	34	54	7	5

	1.	2.	3.	4.
<u>24. REDUCE OIL PURCHASES SOLVE TRADE PROB</u>				
38 STRONGLY AGREE	39	50	6	5
32 AGREE	33	54	6	8
14 DISAGREE	34	57	6	3
4 STRONGLY DISAGREE	32	55	10	2
11 DK	36	40	12	12

	1.	2.	3.	4.
<u>25. OIL MONEY RAISES ALL PRICES</u>				
90 VERY SERIOUS	36	52	6	6
15 SOMEWHAT SERIOUS	32	51	9	8
2 NOT VERY SERIOUS	38	57	4	0
2 NOT SERIOUS AT ALL	31	43	20	6
2 DK	37	23	4	35

American products compared to others (continued)

1. GOOD QUALITY
3. BOTH THE SAME

2. TROUBLE COMPETING
4. DK

RESPONSES = 1206

1. 2. 3. 4.

MARGINALS

36 51 7 6

30. SEX

50 FEMALE

37 48 7 8

50 MALE

34 55 6 5

31. EDUCATION

8 SOME GRADE

44 39 4 13

12 SOME HIGH

39 46 6 9

35 HIGH GRAD

39 50 6 6

2 TECH-VOC

38 53 9 0

21 SOME COLLEGE

33 53 9 5

13 COLLEGE GRAD

26 62 8 3

8 GRAD SCHOOL

31 55 6 9

1 DK

45 40 0 15

32. INCOME

4 0-3999

43 49 0 8

5 4-6999

43 46 6 6

6 7-9999

42 42 8 8

8 10-12999

32 56 2 9

7 13-14999

37 52 8 2

12 15-19999

34 52 8 6

12 20-24999

34 55 6 5

24 25K AND OVER

30 56 9 5

16 REFUSED

38 50 5 8

5 DK

43 37 9 11

33. AGE

18 18-25

35 57 6 3

25 26-35

30 54 10 6

16 36-45

37 49 8 6

13 46-55

38 51 4 7

14 56-65

36 48 5 11

13 OVER 65

41 44 8 8

1 REFUSED

50 45 0 5

American products compared to others (continued)

1. GOOD QUALITY	2. TROUBLE COMPETING
3. BOTH THE SAME	4. DK
RESPONSES = 1206	1. 2. 3. 4.
MARGINALS	36 51 7 6
AREA	
14 NORTHEAST	37 45 10 8
24 INDUSTRIAL	28 59 6 6
13 MIDLANDS	33 56 8 2
22 SOUTH	39 49 4 8
14 CENTRAL	41 46 6 6
13 PACIFIC	37 49 7 8

It is sometimes argued that the demands of U.S. labor unions contribute to the lack of competitiveness among American companies, and the responses to our next question show that the public tends to go along with this idea. As the table shows, a majority agree that labor unions are more of a hindrance than a help in allowing American companies to compete against foreign manufacturers. Less than a third of the population believe unions are more of a help than a hindrance to U.S. companies.

Compared to foreign manufacturers, do you think that American companies on the average find labor unions more of a help than a hindrance in being competitive and raising productivity and exports, or do you think that they find labor unions more of a hindrance than a help?

More of a help than hindrance	31%
More of a hindrance than help	53
(Makes no difference)	6
(Don't know)	11

The demographic breakdowns show that higher-income, better-educated people are more likely than their counterparts to feel the demands of labor make it more difficult for American companies to compete against foreign companies. In terms of age, people between 26 and 35 years old are the group most likely to see labor's demands as a hindrance to U.S. companies. Residents of the Northeast are more likely than people who live elsewhere to see unions as more of a hindrance than a help.

1. MORE OF A HELP 2. MORE A HINDRANCE
3. NO DIFFERENCE 4. DK

1. 2. 3. 4.

31 53 6 11

56	YES-GOING OUT	28	57	5	9
4	YES-COMING IN	28	62	7	2
10	YES-NOT SURE	27	54	6	13
24	HAVENT HEARD	36	45	5	13
5	OK	39	31	8	23

75	SERIOUS PROBLEM	30	55	5	10
15	SOMETHING OF PROBLEM	33	51	7	10
4	NOT A PROBLEM	31	57	5	7
6	OK	31	31	9	28

28	AMERICAN	40	45	5	10
41	FOREIGN	23	62	5	10
7	MANAGED THE SAME	30	53	5	12
14	OK	27	50	7	16

49	FAOUG4 OIL	31	54	6	9
13	OK	33	37	8	22
37	IMPORT OIL	29	58	4	9

39	STRONGLY AGREE	32	53	8	9
32	AGREE	29	56	5	10
14	DISAGREE	30	55	6	8
4	STRONGLY DISAGREE	30	54	6	10
11	OK	31	41	5	23

80	VERY SERIOUS	31	53	5	11
15	SOMEWHAT SERIOUS	26	55	7	11
2	NOT VERY SERIOUS	29	63	4	4
2	NOT SERIOUS AT ALL	36	54	9	0
2	OK	24	23	22	3

Labor unions for American companies (continued)

1. MORE OF A HELP	2. MORE A HINDRANCE			
3. NO DIFFERENCE	4. DK			
RESPONSES = 1206	1. 2. 3. 4.			
MARGINALS	31 53 6 11			
30. SEX				
50 FEMALE	33 47 5 15			
50 MALE	28 59 6 7			
31. EDUCATION				
8 SOME GRADE	44 29 10 18			
12 SOME HIGH	29 52 8 10			
35 HIGH GRAD	30 53 4 13			
2 TECH-VOC	39 39 4 18			
21 SOME COLLEGE	32 51 6 11			
13 COLLEGE GRAD	28 60 5 7			
8 GRAD SCHOOL	19 74 5 3			
1 DK	31 55 0 14			
32. INCOME				
4 0-3999	32 46 7 14			
5 4-6999	39 44 4 13			
6 7-9999	40 38 7 15			
8 10-12999	34 49 5 13			
7 13-14999	36 51 4 9			
12 15-19999	25 54 9 13			
12 20-24999	33 50 6 12			
24 25K AND OVER	24 65 5 6			
15 REFUSED	31 52 6 10			
6 DK	30 48 3 20			
33. AGE				
18 18-25	36 48 5 12			
25 26-35	28 59 4 9			
15 36-45	30 57 7 7			
13 46-55	25 54 9 13			
14 56-65	31 52 5 12			
13 OVER 65	34 46 5 15			
1 REFUSED	39 44 6 11			

Labor unions for American companies (continued)

1. MORE OF A HELP	2. MORE A HINDRANCE				
3. NO DIFFERENCE	4. DK				
RESPONSES = 1206		1.	2.	3.	4.
MARGINALS		31	53	6	11
AREA					
14 NORTHEAST		24	60	4	13
24 INDUSTRIAL		31	52	5	12
13 MIDLANDS		34	49	8	9
22 SOUTH		34	52	6	9
14 CENTRAL		27	53	7	13
13 PACIFIC		32	51	6	11

The Special Problem of Oil

The pursuit of trade and commerce in the world today is inextricably tied to the problem of oil, and it has been suggested by many observers that decreasing U.S. reliance on oil imports would go a long way toward solving the balance of trade problem.

Before asking specifically about this issue, we checked on how people feel about the possibility of reducing the amount of oil this country imports. As the next table shows, the view that the United States has enough oil resources to attain energy self-sufficiency is shared by a near majority of Americans. Many people--nearly two out of five--do feel that oil imports are necessary, however.

Do you think the U.S. has enough oil to meet its needs, or
do you think we have to import oil from other countries to
meet these needs?

U.S. has enough oil	48%
(Don't know)	13
We have to import oil	37

Turning to the issue of the relationship between U.S. trade and oil imports, we first reminded people that the United States does buy large amounts of foreign oil and then asked them whether they go along with the idea that reducing oil imports would "solve the balance of trade problem." As the table of results shows, fully seven out of ten people express some level of agreement with this contention.

In fact, the United States does import large amounts of oil from other countries. Some people say that these large imports of oil are the main reason America buys more from other countries than it sells to them. These people say the balance of trade problem would be solved if we could reduce our purchase of foreign oil. Do you strongly agree, agree, disagree, or strongly disagree that reducing our purchases of oil from other countries would solve the balance of trade problem?

Strongly agree	38%
Agree	32
Disagree	14
Strongly disagree	4
(Don't know)	11

As the responses to the next two questions show, this overwhelming support for reducing oil imports is not based simply on the premise that it would solve the balance of trade problem. We presented survey participants with two statements about our dependency on foreign oil--one generic, the other tied to prices--and asked them to indicate how seriously they regard each of them. The table of results shows that overwhelming majorities consider as "very serious" problems both the fact that much of our oil supply comes from unstable areas like the Middle East and the fact that money spent on oil contributes to inflation.

Please tell me if you think the following problems are very serious, somewhat serious, not very serious, or not serious at all.

SCALE: 1. Very serious 2. Somewhat serious
 3. Not very serious 4. Not serious at all
 5. (Don't know)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
The fact that much of our oil supply comes from unstable areas like the Middle East	78%	14	4	2	2

The fact that the money we spend on foreign oil raises the prices we must pay for almost all goods--including food, services, and manufactured products--and that these higher prices contribute to our inflation rate	80%	15	2	2	2
--	-----	----	---	---	---

No interesting patterns emerge from a demographic analysis of these questions.

This overwhelming concern about energy dependency has emerged in other national surveys we have conducted recently. During the third quarter of 1980 our Cambridge Report* survey research program found heightened public concern over the potentially explosive relationship between energy and international stability. That survey shows, for example, that an overwhelming majority of Americans say they would feel better about the peace of the world if the U.S. were not so dependent on imported oil.

Would you agree or disagree: I'd feel much better about the peace of the world if the U.S. weren't so dependent on foreign oil. [The Cambridge Report, 3rd quarter 1980]

Agree	80%
(Don't know)	8
Disagree	12

Just about the same number of people expressed at least some agreement with the idea that our national security could be endangered unless we proceed with alternatives to imported oil.

* The Cambridge Report is a syndicated, quarterly national survey of 1,500 adult Americans that covers a wide range of public policy issues.

Would you strongly agree, somewhat agree, somewhat disagree, or strongly disagree: The U.S. is so dependent on foreign oil that our national security could be endangered unless we quickly proceed with alternatives to imported oil. [The Cambridge Report, third quarter 1980]

Strongly agree	46%	} 82%
Somewhat agree	36	
Somewhat disagree	10	
Strongly disagree	5	
(Don't know)	4	

Despite this extremely high level of concern about U.S. reliance on oil imports, however, our current survey shows that the public is not very enthusiastic about any solution to the problem that hinges on higher prices. Confronted with a choice between oil price decontrol and oil import tariffs as ways of encouraging both conservation and new energy development, a third of the population say they would rather keep things the way they are and nearly as many people--three in ten--are indecisive. Among those who do make a choice, about as many people favor decontrol as favor the tax on foreign oil, and a distinct minority of less than a tenth of the population come out in favor of both measures.

Some people say that one way to reduce the demand for imported oil and to increase supplies of American energy is to let the price of oil sold in the U.S. rise to world prices. Another way to accomplish this is to put a tax on foreign oil that would raise its price. Would you prefer:

Keeping things the way they are	35%
Letting the U.S. oil price rise to world price levels	12
Putting a tax on foreign oil that would raise its price	14
Letting the price of oil rise and putting a tax on foreign oil	9
(Don't know)	30

Trade Policy Issues

We have already seen that most Americans are aware of the balance of trade problem and that an overwhelming majority regard it as very serious. In this section, we look at how people feel about various trade policy initiatives, virtually all of which aim to correct the balance of trade by encouraging exports. All in all, we find that Americans give majority support to every single one of the proposals we ask about, with the strongest backing going to those policies that appear to promise direct benefits in the form of increased jobs in this country.

Encouraging exports

On the overall question of encouragement of exports, public sentiment is clear. As the next table shows, nearly three-quarters of the population say they would favor government programs aimed at encouraging American businesses to export more products. Only around a fifth of the population express some degree of opposition to such pro-export programs.

One way for the U.S. to achieve a better balance of trade would be for American business to export more, that is, to sell more American products abroad. Some experts suggest that as many as 20,000 additional U.S. firms could be exporting. Would you strongly favor, favor, oppose, or strongly oppose new U.S. government programs that would encourage American businesses to export more products to other countries than they do now?

Strongly favor	44%
Favor	29
Oppose	13
Strongly oppose	5
(Don't know)	8

The first of our questions about specific trade policies asked people whether they favor or oppose tax incentives for U.S. manufacturers and service industries "to compete abroad." As the table shows, more than half the population favor such incentives, while three in ten people are opposed.

Do you favor or oppose tax incentives for U.S.
manufacturing and service industries to compete abroad?

Favor	54%
(Don't know)	16
Oppose	30

The demographic breakdowns show that an interesting mix of socioeconomic groups are allied on this question, with no clear educational or income delineations. In regional terms, residents of the South are the group most likely to support tax incentives for exports, while residents of the Northeast are the group most likely to oppose them. A complete demographic analysis follows.

Do you favor or oppose tax incentives for U.S. manufacturing and service industries to compete abroad?

1. FAVOR
3. OPPOSE

2. DK

RESPONSES = 1205

1. 2. 3.

MARGINALS

54 16 30

<u>1. HEARD OF BALANCE-OF-TRADE-WHICH WAY</u>			
56	YES-GOING OUT	57	11 32
4	YES-COMING IN	49	23 28
10	YES-NOT SURE	51	19 29
24	HAVENT HEARD	52	19 29
5	DK	45	37 18

<u>2. PROBLEM OF BALANCE-OF-TRADE</u>			
75	SERIOUS PROBLEM	57	14 30
16	SOMETHING OF PROBLEM	53	15 32
4	NOT A PROBLEM	48	13 39
5	DK	31	46 24

<u>4. WHICH COMPANIES MANAGED BETTER</u>			
38	AMERICAN	56	16 28
41	FOREIGN	57	11 32
7	MANAGED THE SAME	50	19 31
14	DK	46	26 28

<u>23. US OIL NEEDS</u>			
49	ENOUGH OIL	51	14 35
13	DK	48	30 22
37	IMPORT OIL	61	13 26

<u>24. REDUCE OIL PURCHASES SOLVE TRADE PROB</u>			
38	STRONGLY AGREE	57	17 26
32	AGREE	56	14 30
14	DISAGREE	54	5 40
4	STRONGLY DISAGREE	58	13 29
11	DK	42	30 28

<u>26. OIL MONEY RAISES ALL PRICES</u>			
80	VERY SERIOUS	55	15 30
15	SOMEWHAT SERIOUS	57	15 28
2	NOT VERY SERIOUS	48	17 35
2	NOT SERIOUS AT ALL	33	25 41
2	DK	36	37 27

Tax incentives to compete abroad (continued)

1. FAVOR	2. DK		
3. OPPOSE			
RESPONSES = 1205	1.	2.	3.
MARGINALS	54	16	30
<u>30. SEX</u>			
50 FEMALE	49	20	31
50 MALE	60	11	29
<u>31. EDUCATION</u>			
9 SOME GRADE	57	20	24
12 SOME HIGH	49	20	31
35 HIGH GRAD	53	20	28
2 TECH-VOC	62	17	22
21 SOME COLLEGE	54	13	34
13 COLLEGE GRAD	62	6	32
9 GRAD SCHOOL	54	13	33
1 DK	42	31	29
<u>32. INCOME</u>			
4 0-3999	46	27	27
5 4-5999	55	17	28
6 7-9999	62	21	17
8 10-12999	47	20	33
7 13-14999	49	16	34
12 15-19999	58	13	29
12 20-24999	54	10	35
24 25K AND OVER	63	11	26
16 REFUSED	48	18	35
6 DK	41	26	33
<u>33. AGE</u>			
18 18-25	55	15	31
25 26-35	52	12	37
15 36-45	59	14	27
13 46-55	57	14	29
14 56-65	57	16	28
13 OVER 65	49	28	24
1 REFUSED	57	16	27

Tax incentives to compete abroad (continued)

1. FAVOR	2. DK		
3. OPPOSE			
RESPONSES = 1205	1.	2.	3.
MARGINALS	54	16	30
AREA			
14 NORTHEAST	53	14	33
24 INDUSTRIAL	54	20	27
13 MIDLANDS	55	16	30
22 SOUTH	60	9	31
14 CENTRAL	51	18	31
13 PACIFIC	52	18	30

Just under three out of five Americans support the idea of low-interest loans to U.S. businesses from the Export/Import Bank that would compete with similar loans offered by foreign governments. As the table shows, only about one in five people oppose such low-interest loans, while nearly as many are unsure of their position.

Do you favor or oppose increased support of U.S. exports through low-interest loans provided by the Export/Import Bank in order to compete with foreign low-interest loans?

Favor	59%
(Don't know)	19
Oppose	22

An equally substantial number of people--58%--favor "strengthening" U.S. government agencies responsible for developing long-term foreign trade policies in coordination with domestic economic policy.

Do you favor or oppose strengthening the U.S. government agencies responsible for developing long-term foreign trade policies and coordinating them with domestic economic policies?

Favor	58%
(Don't know)	21
Oppose	21

Over the last 15 years, the federal government has promulgated numerous product standards for items sold within U.S. borders. As a result, American corporations have had to manufacture all of their products to meet these standards, independent of the eventual point of sale. Some observers say this has tended to hurt U.S. manufacturers in world markets where such different product quality standards are not decreed by importing countries.

After summarizing this situation to survey participants, we asked them to tell us whether they favor or oppose allowing U.S. manufacturers to make products for export that do not meet U.S. standards but do comply with the standards of the importing country. As the table shows, a majority of Americans say they favor such a proposal, while exactly one-third come out against it.

The U.S. government imposes safety standards on products. Foreign countries often don't have such standards and some U.S. manufacturers argue that they should be allowed to make products for export that do not meet U.S. standards but do meet the standards of the importing country. Would you favor or oppose allowing U.S. manufacturers to make products for export that do not comply with U.S. standards but do meet the standards of the importing country?

Favor	55%
(Don't know)	12
Oppose	33

Demographically, support for easing product quality restrictions on U.S. goods intended for export is strongest among men, the better educated, those aged 26 to 35, and residents of the Northeast and Midlands. Opposition to such an easing of export product standards is strongest among people earning \$7,000 to \$10,000 a year, those over age 65, and residents of the Pacific states. A complete demographic analysis follows.

The U.S. government imposes safety standards on products. Foreign countries often don't have such standards and some U.S. manufacturers argue that they should be allowed to make products for export that do not meet U.S. standards but do meet the standards of the importing country. Would you favor or oppose allowing U.S. manufacturers to make products for export that do not comply with U.S. standards but do meet the standards of the importing country?

1. FAVOR
3. OPPOSE

2. OK

RESPONSES = 1204

1. 2. 3.

MARGINALS

55 12 33

	<u>1. HEARD OF BALANCE-OF-TRADE-WHICH WAY</u>		
56	YES-GOING OUT	58	9 33
4	YES-COMING IN	57	15 28
10	YES-NOT SURE	49	16 35
24	HAVEN'T HEARD	54	13 32
5	OK	31	29 40

	<u>2. PROBLEM OF BALANCE-OF-TRADE</u>		
75	SERIOUS PROBLEM	55	10 34
16	SOMETHING OF PROBLEM	60	11 29
4	NOT A PROBLEM	54	17 29
5	OK	34	30 36

	<u>4. WHICH COMPANIES MANAGED BETTER</u>		
38	AMERICAN	56	11 33
41	FOREIGN	56	11 33
7	MANAGED THE SAME	57	11 32
14	OK	48	19 33

	<u>23. US OIL NEEDS</u>		
49	ENOUGH OIL	55	12 33
13	OK	54	19 27
37	IMPORT OIL	55	9 35

	<u>24. REDUCE OIL PURCHASES SOLVE TRADE PROB</u>		
38	STRONGLY AGREE	57	10 33
32	AGREE	57	12 31
14	DISAGREE	51	10 39
4	STRONGLY DISAGREE	61	11 28
11	OK	45	20 35

	<u>25. OIL MONEY RAISES ALL PRICES</u>		
80	VERY SERIOUS	55	11 34
15	SOMEWHAT SERIOUS	55	14 31
2	NOT VERY SERIOUS	59	0 41
2	NOT SERIOUS AT ALL	45	21 34
2	OK	28	52 20

Meet importing countries' standards (continued)

1. FAVOR	2. DK		
3. OPPOSE			
RESPONSES = 1204		1.	2. 3.
MARGINALS		55	12 33
<u>30. SEX</u>			
50 FEMALE		46	15 39
50 MALE		64	9 27
<u>31. EDUCATION</u>			
9 SOME GRADE		48	19 33
12 SOME HIGH		48	16 36
35 HIGH GRAD		55	13 32
2 TECH-VOC		57	16 26
21 SOME COLLEGE		59	8 33
13 COLLEGE GRAD		62	6 32
9 GRAD SCHOOL		51	10 38
1 DK		28	29 44
<u>32. INCOME</u>			
4 0-3999		49	15 36
5 4-6999		45	19 36
6 7-9999		41	13 46
8 10-12999		51	14 36
7 13-14999		56	8 35
12 15-19999		61	10 30
12 20-24999		58	10 32
24 25K AND OVER		61	7 32
15 REFUSED		54	14 32
5 DK		48	21 31
<u>33. AGE</u>			
19 18-25		57	11 32
25 26-35		62	10 28
15 36-45		60	7 34
13 46-55		55	10 35
14 56-65		48	15 37
13 OVER 65		41	19 40
1 REFUSED		55	17 28

Meet importing countries' standards (continued)

1. FAVOR	2. OK		
3. OPPOSE			
RESPONSES = 1204	1.	2.	3.
MARGINALS	55	12	33
AREA			
14 NORTHEAST	57	12	31
24 INDUSTRIAL	52	13	35
13 MIDLANDS	58	15	27
22 SOUTH	55	12	33
14 CENTRAL	54	12	34
13 PACIFIC	55	8	37

Next, we asked people to tell us whether or not they favor allowing U.S. corporations to work together on foreign sales, even if anti-trust rules prohibit them from forming joint ventures in this country. As the table shows, a majority of Americans support this proposal, with the remainder of the population just about evenly divided between indecision and opposition.

The U.S. government, under the anti-trust laws, often restrains large corporations from cooperating in business ventures. Some companies argue that, for certain kinds of foreign sales, permitting large corporations to cooperate would give them a competitive advantage over foreign companies. Would you favor or oppose allowing U.S. corporations to work together on foreign sales, even if they would not be permitted to work together in the U.S.?

Favor	54%
(Don't know)	22
Oppose	23

On a somewhat related issue, seven in ten Americans say they would support the idea of setting up "trading companies" that would handle export sales for thousands of smaller firms that might not have the wherewithal to export on their own. Only one out of seven people would oppose such a step.

Do you favor or oppose setting up trading companies that would sell abroad for the thousands of smaller American companies that have trouble doing so on their own, thereby allowing them to compete with foreign firms?

Favor	70%
(Don't know)	14
Oppose	15

Demographically, support for both of these concepts is strong in most every subgroup in the population. Full demographic analyses for both questions appear in Appendix B.

Taking a somewhat different tack, we asked people whether or not they favor temporary relief measures for U.S. industries when foreign subsidized imports are "dumped" in this country, as well as stricter enforcement of "anti-dumping" regulations. Just about a three-fifths majority of Americans support these measures, which, while not providing direct incentives to exports, do appear to promise U.S. companies protection from unfair world trade practices.

Do you favor or oppose stricter enforcement of U.S. laws against dumped and subsidized imports, and the granting of temporary relief when import competition hurts U.S. industries?

Favor	59%
(Don't know)	18
Oppose	23

In the context of this series of trade questions, we also asked people to tell us whether they favor or oppose altering environmental regulations so that they would continue to protect the public but would also cost American business less money and eventually lower product costs. As the table shows, fully three-fifths of the population favor this kind of change, while slightly more than a quarter of the population oppose it.

Do you favor or oppose changing environmental regulations so that while they still protect the public, they cost American businesses less and lower product costs?

Favor	61%
(Don't know)	13
Oppose	26

Trade policy views--given new facts

Many of the questions in the previous section might be characterized as demonstrating "starting attitudes." That is, they represent public sentiment about trade policies in the absence of additional information that might alter people's perceptions of the issues involved. In this section, we look at how people respond to some trade policy questions with the added insight of new information.

To begin, we addressed the issue of granting tax credits to American companies in compensation for taxes they pay foreign governments. The information added into the equation is that such tax incentives would increase the money available to U.S. companies for plant modernization and creation of new jobs. The next table shows that, when the issue is presented in this context, two-thirds of the population favor the tax credit proposal, with a scant one person in seven coming out against it. Notably, this is a much wider majority than came out in favor of tax incentives for exporters when responding to our earlier, more general question.

Some people say that granting U.S. companies tax credits for the taxes they actually pay to foreign nations would increase these companies' international competitiveness. If you knew for a fact that tax credits for taxes paid to foreign countries would increase the money available to U.S. companies to expand and modernize their plants and create more jobs, would you favor or oppose such a tax policy?

Favor	67%
(Don't know)	18
Oppose	15

We see equally overwhelming support for government investment in increased research and development when it is suggested that inadequate research and development is a factor in the poor international showing by U.S. businesses. Again, many people probably associate this kind of economic stimulus with the creation of new jobs.

If you knew for a fact that one of the reasons for our country's difficulty in holding its share of international markets is that American companies are not putting enough money into research and development, would you favor or oppose the federal government creating new incentives to encourage greater business spending on scientific and technological research and development?

Favor	68%
(Don't know)	13
Oppose	19

We also find that just about a four-to-one majority of Americans approve the idea of renegotiating the rules of international trade to make competition between American and foreign firms "fairer." This sentiment is undoubtedly reinforced by the assertion that many foreign firms are owned or controlled by foreign governments, thus insulating them from traditional market forces.

Some people say that one of the reasons American companies have problems competing with foreign companies is that foreign governments either control or own these foreign companies. These people say that this is unfair to American companies because these foreign companies get extra help from their governments and don't have to worry as much as American companies about earnings, profits, and cutting costs. If you knew for a fact that this was true, do you think that the U.S. should try to negotiate new rules of international trade that would make the competition between American companies and these foreign firms fairer, or not?

Yes	59%
(Not sure)	26
No	15

Lastly, a majority of Americans favor unilateral actions to block U.S. sales of technology to the Soviet Union and other countries because of political and human rights issues, even if this results in the purchase of the same technology from other western nations. As the table of results shows, about a quarter of the population oppose such unilateral actions, while another quarter are unsure of their position.

If you knew for a fact that unilateral U.S. actions to block the sale of technology to the Soviet Union and other countries because of political or human rights issues usually result in these countries purchasing the same technology from some other western nation, would you then favor or oppose unilateral actions to block such sales by the U.S.?

Favor	52%
(Don't know)	25
Oppose	23

Coordinated Economic Policy in an Interdependent World

Over the last decade it has become increasingly clear that the American economy is inextricably linked to the political and social dynamics of the world economic order. Our ability as a nation to adjust to this new reality will in part be determined by the general public's understanding of the issues it raises.

Participants in our survey were presented with three questions that test their feelings about the interdependent world economy and its implications for U.S. government policy.

As the first table shows, a majority of Americans do recognize that the world and U.S. economies are linked.

Some people say that the world economy and the U.S. economy are linked so closely together that the U.S. can't solve either its economic problems at home or in the world at large by attacking them separately. These people say that the time has come for the U.S. to shape its economic policies and programs so that they take both our problems at home and abroad into account. Other people say that U.S. economic problems aren't linked that closely to the world economy, and that we don't have to take the world economy into account in shaping our own economic policies. Which is closer to your opinion?

The U.S. economy is so closely linked to the world economy that we can't solve our economic problems by attacking them separately.

54%

(Don't know)

23

The U.S. economy is not so closely linked to the world economy that we have to take the world economy into account in shaping our own economic policies.

23

An even larger majority feel that our government should pay more attention to the economic woes of less industrialized nations for strategic and marketing reasons.

Would you agree or disagree: Some people say that the United States ought to pay more attention to the economic problems of poorer and less industrialized countries because we import vital materials from these countries, and because they're an important market for U.S. exports and the American businesses and jobs that produce them.

Agree	63%
(Don't know)	11
Disagree	26

Getting more specific, we find that an overwhelming majority of Americans also feel that U.S. aid to the developing world should take the form of direct provision of goods--such as "tractors and drilling rigs"--rather than dollars.

Would you agree or disagree: Some people say that if increased attention by the United States is given to the problems of poorer and less industrialized countries, it should take the form of direct aid in real terms--such as goods like tractors and drilling rigs--instead of dollars. They say that by using excess industrial capacity in America to produce these items, we can help developing nations while also increasing the market for our exports and creating jobs in the U.S.

Agree	71%
(Don't know)	19
Disagree	11

Finally, we find that a huge, eight-to-one majority of people agree that the country must aim toward accomplishing a number of goals that would increase American competitiveness abroad. These include developing new energy sources while conserving energy at home and on the job, increasing productivity, scaling down price and wage increases, and adapting to changing markets, industries, and employment patterns.

Some people say Americans must make difficult choices in the 1980s in order to restore economic growth at home and American competitiveness in the international marketplace. They say Americans must strive to develop new energy sources and conserve energy at home and on the job, increase productivity, scale down price and wage increases, and adapt to changing markets, industries, and employment patterns. Do you agree or disagree with this idea?

Agree	82%
(Don't know)	10
Disagree	8

APPENDIX A

The Questionnaire

1. Recently, there has been a lot of controversy over the issue of the U.S. balance of trade—the balance between the money we send out of the country to buy goods such as oil and other foreign products and the amount of money coming into the country because of things we sell to foreign countries such as wheat and manufactured goods. Have you heard about the controversy? (IF YES) Do you know whether more money is going out or coming in?

Yes, more going out	56%
Yes, more coming in	4
Yes, (not sure)	10
No, have not heard about the controversy	24
(Don't know)	5

2. Actually, it now seems that about \$20-30 billion more went out of the U.S. in 1980 to pay for our imports than will come in as payment for our exports. This will be the 8th year in a row that we have spent more in other countries than other countries have spent in the U.S. Do you think that represents a serious problem for the country, only something of a problem, or isn't it really a problem at all?

Serious problem	75%
Only something of a problem	16
Not really a problem at all	4
(Don't know)	6

3. Some people say that the governments in other countries make it easier for their industries to sell products abroad by having coordinated economic policies that support and encourage exports. Do you think this is true, or not?

Yes	59%
(Not sure)	29
No	13

4. Do you think that American companies on the average are managed better than foreign companies when it comes to being competitive in world markets, or do you think that foreign companies are managed better than American companies?

American companies managed better	38%
Foreign companies managed better	41
(Both managed the same)	17
(Don't know)	14

5. Compared to foreign manufacturers, do you think that American companies on the average make good quality, competitively priced products, or do you think that American products have trouble competing with foreign-made products because of price and quality?

Make good quality, competitively priced products	36%
Have trouble competing	51
(Both the same)	7
(Don't know)	6

6. Compared to foreign manufacturers, do you think that American companies on the average find labor unions more of a help than a hindrance in being competitive and raising productivity and exports, or do you think that they find labor unions more of a hindrance than a help?

More of a help than a hindrance	31%
More of a hindrance than a help	53
(Makes no difference)	6
(Don't know)	11

7. The U.S. government imposes safety standards on products. Foreign countries often don't have such standards and some U.S. manufacturers argue that they should be allowed to make products for export that do not meet U.S. standards but do meet the standards of the importing country. Would you favor or oppose allowing U.S. manufacturers to make products for export that do not comply with U.S. standards but do meet the standards of the importing country?

Favor	55%
(Don't know)	12
Oppose	33

8. The U.S. government, under the anti-trust laws, often restrains large corporations from cooperating in business ventures. Some companies argue that, for certain kinds of foreign sales, permitting large corporations to cooperate would give them a competitive advantage over foreign countries. Would you favor or oppose allowing U.S. corporations to work together on foreign sales, even if they would not be permitted to work together in the U.S.?

Favor	54%
(Don't know)	22
Oppose	23

9. One way for the U.S. to achieve a better balance of trade would be for American business to export more, that is, to sell more American products abroad. Some experts suggest that as many as 20,000 additional U.S. firms could be exporting. Would you strongly favor, favor, oppose, or strongly oppose new U.S. government programs that would encourage American businesses to export more products to other countries than they do now?

Strongly favor	44%
Favor	29
Oppose	13
Strongly oppose	5
(Don't know)	8

I'm going to read you a list of actions that the U.S. government might take to encourage American export expansion.

10. Do you favor or oppose tax incentives for U.S. manufacturing and service industries to compete abroad?

Favor	54%
(Don't know)	16
Oppose	30

11. Do you favor or oppose setting up trading companies that would sell abroad for the thousands of smaller American companies that have trouble doing so on their own, thereby allowing them to compete with foreign firms?

Favor	70%
(Don't know)	14
Oppose	15

12. Do you favor or oppose increased support of U.S. exports through low-interest loans provided by the Export-Import Bank in order to compete with foreign low interest loans?

Favor	59%
(Don't know)	19
Oppose	22

13. Do you favor or oppose strengthening the U.S. government agencies responsible for developing long-term foreign trade policies and coordinating them with domestic economic policies?

Favor	58%
(Don't know)	21
Oppose	21

14. Do you favor or oppose stricter enforcement of U.S. laws against dumped and subsidized imports, and the granting of temporary relief when import competition hurts U.S. industries?

Favor	59%
(Don't know)	18
Oppose	23

15. Do you favor or oppose changing environmental regulations so that while they still protect the public, they cost American businesses less and lower product costs?

Favor	61%
(Don't know)	13
Oppose	26

16. Some people say that granting U.S. companies tax credits for the taxes they actually pay to foreign nations would increase these companies' international competitiveness. If you knew for a fact that tax credits for taxes paid to foreign countries would increase the money available to U.S. companies to expand and modernize their plants and create more jobs, would you favor or oppose such a tax policy?

Favor	67%
(Don't know)	18
Oppose	15

17. If you knew for a fact that one of the reasons for our country's difficulty in holding its share of international markets is that American companies are not putting enough money into research and development, would you favor or oppose the federal government creating new incentives to encourage greater business spending on scientific and technological research and development?

Favor	68%
(Don't know)	13
Oppose	19

18. If you knew for a fact that unilateral U.S. actions to block the sale of technology to the Soviet Union and other countries because of political or human rights issues usually result in these countries purchasing the same technology from some other western nation, would you then favor or oppose unilateral actions to block such sales by the U.S.?

Favor	52%
(Don't know)	25
Oppose	23

19. Do you agree or disagree: Trade is a two-way street. If we want to sell our products abroad, then we have to allow other countries to sell their products here in the United States.

Agree	85%
(Don't know)	5
Disagree	10

20. Some people say that the United States ought to pay more attention to the economic problems of poorer and less industrialized countries because we import vital materials from these countries and because they're an important market for U.S. exports and the American businesses and jobs that produce them. Do you agree or disagree with this idea?

Agree	63%
(Don't know)	11
Disagree	26

21. Some people say that if increased attention by the United States is given to the problems of poorer and less industrialized countries, it should take the form of direct aid in real terms-- such as goods like tractors and drilling rigs-- instead of dollars. They say that by using excess industrial capacity in America to produce these items, we can help developing nations while also increasing the market for our exports and creating jobs in the U.S. Do you agree or disagree with this idea?

Agree	71%
(Don't know)	19
Disagree	11

22. Some people say that one of the reasons American companies have problems competing with foreign companies is that foreign governments either control or own these foreign companies. These people say that this is unfair to American companies because these foreign companies get extra help from their governments and don't have to worry as much as American companies about earnings, profits, and cutting costs. If you knew for a fact that this was true, do you think that the U.S. should try to negotiate new rules of international trade that would make the competition between American companies and these foreign firms fairer, or not?

Yes	59%
(Not sure)	26
No	15

23. Do you think the U.S. has enough oil to meet its needs, or do you think we have to import oil from other countries to meet these needs?

U.S. has enough oil	49%
(Don't know)	13
We have to import oil	37

24. In fact, the United States does import large amounts of oil from other countries. Some people say that these large imports of oil are the main reason America buys more from other countries than it sells to them. These people say that the balance of trade problem would be solved if we could reduce our purchase of foreign oil. Do you strongly agree, agree, disagree, or strongly disagree that reducing our purchase of oil from other countries would solve the balance of trade problem?

Strongly agree	38%
Agree	32
Disagree	14
Strongly disagree	4
(Don't know)	11

Please tell me if you think the following problems are very serious, somewhat serious, not very serious, or not serious at all.

25. The fact that much of our oil supply comes from unstable areas like the Middle East

Very serious	78%
Somewhat serious	14
Not very serious	4
Not serious at all	2
(Don't know)	2

26. The fact that the money we spend on foreign oil raises the prices we must pay for almost all goods-- including food, services, and manufactured products-- and that these higher prices contribute to our inflation rate

Very serious	80%
Somewhat serious	15
Not very serious	2
Not serious at all	2
(Don't know)	2

27. Some people say that one way to reduce the demand for imported oil and to increase supplies of American energy is to let the price of oil sold in the U.S. rise to world prices. Another way to accomplish this is to put a tax on foreign oil that would raise its price. Would you prefer:

Keeping things the way they are	35%
Letting the U.S. oil price rise to world price levels	12
Putting a tax on foreign oil that would raise its price	14
Letting the price of oil rise and putting a tax on foreign oil	9
(Don't know)	30

28. Some people say that the world economy and the U.S. economy are linked so closely together that the U.S. can't solve either its economic problems at home or in the world at large by attacking them separately. These people say that the time has come for the U.S. to shape its economic policies and programs so that they take both our problems at home and abroad into account. Other people say that the U.S.'s economic problems aren't linked that closely to the world economy, and that we don't have to take the world economy into account in shaping our own economic policies. Which is closer to your opinion?

The U.S. economy is so closely
linked to the world economy
that we can't solve our economic
problems by attacking them
separately 54%
(Don't know) 23

The U.S. economy is not so closely
linked to the world economy
that we have to take the
world economy into account
in shaping our own
economic policies 23

29. Some people say that Americans must make difficult choices in the 1980's in order to restore economic growth at home and American competitiveness in the international marketplace. They say that Americans must strive to develop new energy sources and conserve energy at home and on the job, increase productivity, scale down price and wage increases, and adapt to changing markets, industries, and employment patterns. Do you agree or disagree with this idea?

Agree 82%
(Don't know) 10
Disagree 8

I'd like to ask you a few questions for statistical purposes only.

30. [OBSERVATION] Sex:

Female 50%
Male 50

31. What was the last grade you completed in school?

Some grade school (1-8)	8%
Some high school (9-11)	12
Graduated high school	35
Technical/vocational school	2
Some college	21
Graduated college	13
Graduate/professional school	8
(Don't know)	1

32. In which of the categories I read is the total annual income of this entire household--of everyone living in this house?
(READ RESPONSES)

\$0-3,999	4%
\$4-6,999	6
\$7-9,999	6
\$10-12,999	8
\$13-14,999	7
\$15-19,999	12
\$20-24,999	12
\$25,000 and over	24
(Refused)	16
(Don't know)	6

33. What is your age?

18-25	18%
26-35	25
36-45	16
46-55	13
56-65	14
Over 65	13
(Refused)	1